BUSINESS RESOURCE CENTRE

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The Handicraft Business

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Manitoba
Industry, Trade
and Tourism

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INTRODUCTION

Most people who enter the handicraft field today do so because they feel it offers more freedom and opportunity for creativity or self-expression than do other professions. But, like any other profession, one is rewarded only for the time worked and the amount of skill and talent involved. Therefore, operating a business that will be profitable is a responsibility of self-ownership.

To be successful, knowledge of all the requirements of operating a handicraft business is necessary, as well as being sure that these requirements are fulfilled before venturing into the business on a full-time basis. The person who sells handicraft items at retail is in a similar position as the owner/manager of a retail store. He or she must have some knowledge of bookkeeping, sales and tax reports, ordering of stock and supplies, preparing and adhering to a budget, and know-how in a variety of crafts. The operator must know the best way to reach customers through the various advertising media, understand the limitations of the media and the craftsman, and be able to collect from the customer and pay bills within a reasonable time. (During the first few years, this requires reserve capital to meet expenses until the shop starts to earn a profit).

Handicrafts offer two fields of opportunity for those interested in owning a small business. These are the production of handicrafts and the selling of handicrafts. Either of these may be a part-time or full-time involvement. In this handbook, to be successful, the main emphasis is on the handicraft producer. Handicraft retailers should refer to the "Retail Business Plan". One must realize that this is not an area in either field for amateurs and that one must offer items that people will want and will buy. In this handbook we have identified some of the key areas one must concentrate on prior to opening a handicraft business. Your ability to properly work through and develop these areas will directly affect the future of the operation.

The Business Resource Centre has prepared a number of handbooks in its Small Business Management series which should be read in conjunction with this publication. Included are "Retail Business Plan", "Small Business Finance

Plan", "Marketing" and a new publication "A Place to Start: Exploring New Business Ideas and Opportunities"

A set of publications entitled Self Evaluation Guides are available in 3 stages:

Stage 1: "Assessing Your Potential For An Entrepreneurial Career"
Stage 2: "Finding And Evaluating A Product Or Service Idea"
Stage 3: "Should You Start A New Business Or Buy An Existing One?"

Order each book separately at $4.00 each, or all three for $10.00.

LEGAL CONSIDERATIONS

Thought should be given to the business structure your operation will assume. Alternatives include sole proprietorship, partnership, and incorporation, with each business form having its distinct advantages and disadvantages. Factors influencing your decision will include the ease and cost of organization, financing, management risk, and liability and tax considerations. An attorney can explain the advantages and disadvantages of these three alternatives, and a suitable selection can be made.

You will be required to register your business name, obtain a provincial sales tax number, a business license, as well as registering with the District Taxation Office. You must also comply with other tax regulations and employer responsibilities. The Business Resource Centre has produced a handbook, "Starting a Small Business in Manitoba", which provides a description of your responsibilities in areas of licensing, permits, taxes, etc.

Furthermore, determine your insurance needs before you start the business venture. The major types of insurance to be considered are: general insurance, fire insurance (on assets of the business), liability insurance on premises and vehicles, crime coverage and business interruption insurance, and life insurance on the lives of the owners. (Often partners will purchase life insurance on each other's life in order to insure continuance of the business).

COPYRIGHTS AND TRADEMARKS

Copyrights

When you are a craftsman, you are often creating your own work. If you create an original piece that you do not want to be copied by other craftsmen, you should register it. However, in order to be eligible to register it, you must reproduce it a minimum of 50 times. The design can be registered under the Industrial Designs Act by writing to the Commissioner of Patents in Ottawa, Consumer and Corporate Affairs Canada, Place du Portage 1, 50 Victoria Street, Hull, Quebec.

Original artistic work is automatically protected under the copyright act for the life of the artist and 50 years after his/her death. This does not require registration, however, it is recommended in order to prove that your work is original. Your copyright can be registered with the Commissioner of Patents.

Once a design has been registered under the Copyright Act, all similar pieces must be marked (C), the copyright owner's name and year of registration. eg. (C) Joan Jones, 1988.

There is no infringement of copyright in "the making, painting, drawing, engraving or photograph of a work of sculpture or artistic craftsmanship if permanently situated in a public place or building."

Trademarks

"A word or mark that identifies distinctly the origin or ownership of an item and is legally reserved for the exclusive use of the owner is a trademark." However, a trademark can also be distinctive method of finishing a product or the use of distinctive colouring.

If the trademark is only to be used for a short time, it does not have to be registered. However, if it is intended to be a permanent mark, a search must be made to ensure that it is not already in use, and then it can be registered under the Trademark Act.

Labelling

When producing handicrafts in Manitoba, you should check to make sure that you are meeting federal and provincial labelling requirements. Federal and provincial labelling usually applies to glazed ceramics, upholstered furniture, stuffed toys and other textile products.

Glazed Ceramics

Glazed ceramics which may be for food or drink must be labelled with the name and address of the manufacturer; a registered trademark is also acceptable. The sticker, label or tag must appear either on each piece or each boxed set. This is to control the use of lead glazes which can break down if certain food or drinks are placed in the utensil, causing danger of lead poisoning.

Textile Products

The Federal Textile Act requires that a fibre content label of the covering fabric be attached to upholstered furniture, mattresses and stuffed toys. As well, most provinces have an additional set of requlations. In Manitoba, you must sumit an application for registration (as a hobby craft operator). This will apply to furniture, clothing, bedding, toys, sports equipment, pillows and cushions. The cost of registration will vary from $5.00 to $50.00 depending on the amount you manufacture. In order to request or submit an application, contact Department of Consumer, Corporate and Internal Services.

SELECTING THE RIGHT VENDOR

The following guidelines developed in a publication entitled "Crafts Are Your Business", from the Canadian Crafts Council, deal with sales selection of distribution outlets.

Retail Crafts Outlets

This is the most widely, practical method of selling crafts, and probably the most effective for people doing limited production. The store will probably sell your work at double the price you sell to them which is a reasonable mark-up, since overhead costs in running a good store are high, and risks are great. Select a store that deals in crafts which relate to your own work, and which is in a good selling location. Make sure your work is well lit, and exhibited to its best advantage.

Most craft stores will initiate their arrangement with you by buying "on consignment", which means they will pay you only after they sell your work. But you should get a larger portion of the selling price, probably 60% and 70%, because the risk is yours, not theirs. Selling through an "on consignment" agreement is certainly not the best arrangement for the craftsman but you will probably have to accept this system at the beginning of your career.

The Crafts Guild of Manitoba, located at 183 Kennedy Street in Winnipeg, is established as a retail outlet for Canadian Crafts and should be considered as a potential vendor.

Gallery

Make sure the gallery you choose is respected and well-known. If it gives you a one-man show, it will certainly be on a consignment basis. They may ask you to pay the cost of invitations, refreshments, and their commission will be up to about 50%. Insist on a written agreement with the owner before you deliver your work for sales or exhibition.

Agent

There are not many agents around, but if you can find a good one, he or she could maximize your production time, as well as get your work exposed and sold. The commission charged can vary greatly, but would most likely be between 20% and 50%, according to what services are included in the commission.

Craft Markets

Unfortunately, there are few regular, well-advertised craft markets in Canada. However, each year more are held and the standards are getting higher. The Department of Culture, Heritage and Recreation can provide information on crafts markets in Manitoba. Their address and telephone number is provided (see References).

An example of such a market is the Manitoba Christmas Craft Sale, held in the Winnipeg Convention Centre, the first week of December. At this event, over 100 artisans display their wares at a "trade show" and sale. The event is publicized and open to retailers and the general public, providing a wide exposure of the products and capabilities of Manitoba craftsmen.

Market Square

During the summer months, the market square in the Old Market Place in Winnipeg offers an outlet whereby handicrafts may be displayed and sold. Here, customers are allowed to browse, examine the purchase merchandise. The Old Market Square Business Association can provide you further details as to how to participate (see References).

Competitions

If you submit a design for a competitive commission, it is considered unethical for the client not to give some compensation to the entering artists for their work. A common method of running a competition is for a selected number of craftsmen to submit a series of rough sketches. From the entrants, a selection is made for the project commission while the others are given a fair price for their time and effort even though their work will not be used.

ADVERTISING AND PROMOTION

Economics will not allow you to continue as a craftsman for long unless you sell your work, and advertising and promotion can help achieve this end. Time and space costs in traditional advertising media are usually beyond the financial reach of independent craftsmen, but there are other means of advertising to explore.

A reputation for fine work is by far the best type of advertising, as it creates an awareness and demand for your products. However, it is not always easy to get exposure for your products in order that a reputation can develop.

Initially, you must promote yourself to newspaper and magazine editors, local television and radio program directors, and any other people with means to reach the public's eyes and ears. Your own talents and personality will determine which of the many publicity possibilities will be most productive.

Local Media

Particularly the feature selections of magazines and newspapers will be easiest to reach. Contact editors of prospective publications and provide information on the craft and the work.

A Formal Press Release

Accompanied by photographs of your work, might be mailed out, but personal contact will reinforce any printed matter submitted. Local stores often times generate more widespread publicity.

Special Displays and Pamphlets

Special displays allow many handicrafters to gain publicity at retail outlets. Setting up in Shopping Malls are ideal in this regard. In order to gain exposure, craftsmen will rent a space in the malls for a weekend.

Another effective method of gaining exposure is to prepare a pamphlet about your craft. The pamphlet will be used as a tool to promote your craft. The pamphlet could give a history of either the craft, the artist or the area the craft represents or comes from. As well, if some original or unique materials are used for making the craft, you may want to include this in your pamphlet. The pamphlets give the customer something to identify the craftsman with, as well as making the sale more personal.

An Open House

An Open House occasionally at your studio, may provide interesting results. Send invitations out to potential buyers, start developing a mailing list of contacts for your own reference, and advertise in the local paper. By building up a mailing list of existing or potential customers, you will be able to direct mail promotions on special events, sales, etc.

Portfolio

Start early and develop a portfolio of your work. Good colour, or black and white photographs of selected pieces, as well as written description, if necessary, should be included. This kind of information can prove invaluable when calling on architects and interior designers. Additionally, remember that business cards provide you with quite an effective and inexpensive method of getting your name known.

MARKETING AND DISTRIBUTION

Crafts are sold directly from studios, in galleries, at craft markets, festivals and exhibitions, and through a variety of retail outlets, from exclusive craft and gift stores, to department stores. Few craftsmen employ business agents or operate through wholesalers, since adding the cost of either intermediary service to the producer's cost often makes the price too high at the retail level. Some wholesaling mechanisms have been established for special purposes, e.g. marketing Indian or Inuit crafts or of a specified geographical region.

Historically, the craft retailers have taken goods on consignment to reduce their capital requirements, but the trend is changing as craftsmen become more experienced in business. As the demand for an individual's products increases, it improves his position to the extent that he can request payment on delivery, or within thirty days. Retailers who usually pay on receipt of goods sometimes use consignment practices when the craftsman's proposed wholesale price is considered too high.

The appeal of the unique character of the craft items affects the marketing system. Many consumers will travel a considerable distance to purchase directly from the producer to see how and where the piece is made, and to meet the craftsman. The tremendous popularity of craft fairs and markets is attributed to the direct contact between craftsman and purchaser. Retailers have found it desirable to know as much about the craftsman as possible in order to give a history of the individual's work, thus personalizing the sale.

As a result, there seems to be an increasing demand for crafts. A number of craftsmen, retailers, and researchers have attributed the growth to a number of factors.

A primary one is the need to personalize surroundings. By supplementing or replacing standard, mass-produced items with handicrafted ones, an individual can project his/her own personality. A higher level of education and greater exposure to cultural and aesthetic presentations have affected many consumers' choice of functional items. Crafts are viewed as cultural products but are generally accessible to a wider population segment than paintings, graphics, and similar artistic products, because of relatively lower prices. As well, for consumers beginning their own homes, it is easier to justify spending money on an item which serves the dual role of being functional and aesthetically pleasing. Advertising in the last two or three years have been equating quality with handcraftsmanship, and this has reinforced consumers' beliefs that crafts are representative of quality. Also, there appears to be an increasing reluctance to buy goods made elsewhere, if acceptable Canadian crafts can be found.

Another impetus to growth in demand is the changing pattern of tourist expenditures. The two main reasons for purchasing a souvenir are to take a remembrance to friends and relatives, or to purchase something for oneself or one's home. If the first instance, an individual would look for an inexpensive object, representative of the locality visited, and small enough to be carried easily. However, with the decline in the number of nuclear families and the wide geographical dispersion of family members, there is no longer the same need, or perceived obligation, to return home with small remembrances for family and relatives. The money traditionally allocated to these purchases is now being spent on items for personal use.

Feeding the hungry crafts market are an ever growing number of consumers with disposable income, sophisticated tastes, and eyes for quality and value. Crafts fill a need created by an age of automation. Consumers look to crafts to provide the innovative designs that they cannot find in manufactured work. People enjoy identifying with a craftsman that produces work with his hands.

The tremendous increase in the number of variety of leisure-time craft courses have affected demand too. Students learning the basics of a craft, in most cases, learn to appreciate the qualities which make the work of a professional distinctive. Although some hobbyists pursue a craft skill until a high standard is achieved, most do not have the time, skill, or money to invest in equipment, materials or space necessary to improve the technical and design aspects of their work. When individuals realize that they cannot make similar items easily, but recognize the elements required to produce a high quality piece, they are more willing to pay a higher price.

Customers gave the following reasons for purchasing crafts: aesthetic pleasure, original gift, warm atmosphere, design and quality, unique and personalized, and a means of cultural expression.

LOCATION AND STUDIO DESIGN

Location

In some instances, there is little flexibility regarding the location of your business. For instance, you may need to be in an area of high vehicle or pedestrian traffic in order to generate sales. If, however, there are no restrictions as to your location, consideration should be given to locating in your home. Even if your business is located in your home, there are some basic requirements.

1. a business telephone - separate from your residence phone;
2. a business name and address;
3. a mailing address.

Operating your business at home should not be any different than running your business from an office. It is important that you set strict guidelines for yourself to discourage bad habits from developing. For instance, you should not allow yourself to conduct household errands during your allocated business hours. The commitment to your business must be as dedicated as if someone else were paying you; this can take a great deal of self-discipline.

If you can locate at home, there are may positive aspects:

1. elimination of travelling time and traffic problems;
2. eligibility to claim a portion of home expenses as a tax deduction;
3. begin on a part-time basis or have more flexibility in hours of operation;
4. operate with a smaller overhead and therefore start with a smaller amount of capital.

Once you have decided upon your location, like every other aspect of running your own business, choosing and planning a studio deserves careful thought. The essence of a craft is that it combines usefulness with good design and beauty, and the studio should reflect that. It should be planned for the best use of space, for total efficiency, and at the same time it should be a pleasing place to work and visit.

Many factors will affect your location decision, but amongst the main consideratons are the cost of leased premises, and the ability of your business to generate adequate sales to support costs.

The following is a list of important factors which should be considered:

- Is the studio large enough for your possible future needs?
- Are the doors wide enough for the kinds of materials you might want to bring in or carry out?
- Is there enough clear wall space for shelves and other storage?
- Are you going to have enough space for a small office or a visitor's sitting area?
- Are the ceilings so high that they will use up a lot of heat in the winter?
- What about electricity? Are the services adequate for your needs?
- If you use a Kiln, has the studio been made reasonably safe from fire? Kilns must be used in a ventilated space due to hazards in fumes from glazes in firing process. Batek - protective coverings, for hands as well as nose and mouth, should be worn when dealing with chemical dyes (they are toxic).
- Is the ventilation system adequate? Some plastics and solvents may, under certain conditions, emit poisonous fumes.
- What do the other people in the building do? You will have to make sure that the noises, smells and traffic you engender in your work will not cause the neighbours to complain.
- What about parking for your own and visitors' cars, and facilities for delivery and pick up of products?
- Is it in an area that people will visit, e.g. Osborne Village, (good for off-the-street sales).

Once you have satisfied yourself that your potential studio fits your needs in size, services, security and safety, have a good look at the building it is in. Even the best studio won't work if the immediate environment is unsatisfactory.

After you have selected a location and are ready to sign the lease, have it reviewed by your lawyer to insure you are protected as well as you can be.

PRICING

In pricing your work, careful consideration must be given in two areas:

1. making sure that all your expenses and overhead are accounted for; and
2. ensuring that you do not undercut the market, or, on the other hand, overprice your goods.

You must tabulate all your expenses, including raw materials, labour and your overhead expenditures. Overhead costs include such things as rent, heat/light/power, advertising, depreciation of tools, etc.

You should price comparable pieces in the stores and galleries and try to ascetain if the pieces sell well at those prices. Other craftsmen, and craft retailers who have had years of experience in selling crafts, can provide you with a good idea as to what you should charge for a piece.

Remember, the retail store will mark up your product approximately 50% of retail price while the craft stores which sell your goods on consignment will raise it 30% to 40% of retail price. Keep this in mind when you are determining the price of a given article.

The "Business Plan for Manufacturers", produced by the Department of Industry, Trade and Tourism can provide additional details in this regard. A copy can be obtained by contacting your local Business Resource Centre.

PURCHASING INVENTORY

Cost of materials can be a major product expense. In order to find the most economical means of purchasing what is needed, you can compare suppliers' prices and shipping costs, and investigate trade discounts given for volume purchases. Many crafts people cannot buy sufficient quantities to obtain trade discounts, but do not overlook ways in which you could increase the size of your purchases. Two techniques are to plan materials needs in advance, and to consolidate orders in a few large ones, rather than several small ones. Group purchases (buying with other crafts people whose material needs are the same) can provide the advantage of volume discounts otherwise unavailable.

Before pruchasing large quantities of inventory contact the Retail Sales Tax Division to enquire about the application for a Sales Tax number. This will allow the craftsman to acquire all supplies exempt from provincial sales tax at the time of purchase. This cost will of course be added at the time you sell your product at the retail level or directly to the consumer.

For sources of supply, listings are available in the Yellow Pages of your telephone directory, the Manitoba Trade Directory (which provides listings of manufacturers and distributors by product), or the Canadian or U.S. Trade Directories. These trade sources are available for your use at your nearest Business Resource Centre, addresses for which are provided at the beginning of this handbook. There are many trade magazines which can provide you with information as to sources of supply. The Canada Crafts Magazine as well as many craft councils publish newsletters printing information on fairs, exhibitions, competitions and suppliers. For example, the Ontario Craft Council Publishes "Craftnews" as well as a listing of Canadian Craft suppliers and a listing of outlets across Canada.

Establishing a continuing relationship with those suppliers who will allow the greatest discount, and still provide the quality and service needed, is better than jumping around among several sources. Until some credit standing

is achieved, you will probably be required to pay cash for supplies if purchased in person, or C.O.D. if materials are shipped.

FINANCIAL PLANNING

Starting a craft business can be quite a venture, one which you must prepare for. Most craft entrepreneurs force themselves to learn about production schedules, taxes, marketing and accounts receivable. Unfortunately, more emphasis is placed on design rather than business matters.

When small businesses fail, they often do so because their owners did not foresee that they would encounter difficult finsncial circumstances. Proper financial planning can make you aware of possible critical problems before they arise, so that you can take the appropriate action to avoid them. Small businesses often suffer from inadequate financing, and though financial planning may not alleviate that problem, it should enable the entrepreneur to realize the need for additional financing before a crisis arises.

A detailed outline of financial planning is contained in companion volumes in this series: "Small Business Finance Plan", "Service Business Plan", and the "Retail Business Plan". The purpose of this section is to underscore the importance of sound financial planning, by summarizing the basics of the process.

The steps of financial planning include:

1. determine the cost of premises, equipment and fixtures;
2. estimate all operating, direct (cost of materials, wages, etc.) and indirect (interest, rent, etc.) expenses;
3. estimate working capital or cash flow requirements, and the sale volume needed to meet those requirements;
4. prepare projected statements: cash flow, profit and loss, and balance sheet.

FINANCIAL RECORDS

Decisions made are only as good as the information upon which they are based. Proper records should be kept so that information about the financial status of the business is available and accurate. The information can tell you if any problems are being or are likely to be encountered. Problems such as a sales volume lower than forecast, delinquent accounts receivable, inventories not moving, or profit margins which are too low, may be brought to your attention. The constant monitoring of the business' financial situation can be achieved only if accurate records are maintained. You, as a business person, have to know if things are proceeding according to plan. If they are not, you can take remedial action before it is too late.

It is not difficult to maintain a simple record keeping system sufficient for the needs of most small businesses. The exact requirements vary, depending on the volume of business, the number of customers and suppliers, the number of employees, whether or not credit is allowed to customers, and so on. Some of the records you may need include:

1. cash receipts journal used to record all payments made to the business;
2. cash disbursements journal used to record all payments made by the business;
3. accounts receivable ledger used to keep a record of all amounts owned by customers;
4. general ledger, used to keep a record of all accounts on the balance sheet.

As well, you may need a sales journal (recording all sales made on credit), a purchases journal (recording inventory purchases made on credit), an accounts payable ledger (a summary of amounts to suppliers, etc.), and a payroll journal (to record wages paid). You should, of course, make all payments by cheque, not by cash, and maintain an accurate cheque book.

Remember that the system you use has to provide information that is useful to you in makng decisions about the business. Having an accountant prepare annual statements (which you may have difficulty interpreting in a useful

manner) is not enough. You have to understand the record system and the information that it provides for it to be a part of your financial planning process.

The information contained in your records can be thoroughly analyzed to provide more clues about what exactly is happening to your business. You can, for example, compare your financial status to that of other similar businesses. Various publications contain statistics on key financial ratios for a wide range of retail businesses. These ratios include, for example, current assets to current liabilities, gross profit to sales, net profit to sales, and so on. A profit and loss statement for the average retailer, expressed in ratio form, is shown in Table 1. Comparing your statement to the sample could point out possible problems. If, for example, your gross profit is only 20% (vs 34.5%), it may mean that your prices are too low. It should be remembered, of course, that the ratios in Table 1 are for the average business and there are wide variations depending on the type of business you are in.

You are required by law to provide statements to the taxation authorities, but a more important purpose of keeping financial records is to enable you to monitor the progress of your business.

SUMMARY

Each business plan is different and must reflect the specific needs and interests of your operation. The one element common to all businesses is the necessity of planning, based on a thorough understanding of production capabilities, existing and future markets, competition, financing and marketing.

A complete financial analysis of your business must be done prior to making any commitments to leases, suppliers, etc. Determine your capital costs and your operating costs early, to ensure the financial stability of your business.

Carefully develop your Business Plan. It can be your most important investment of time and effort. Potential difficulties may be identified and rectified before they can become a detriment to your operation.

Competent legal counsel should be retained to explain the legal position of complex forms of business organization. It is also desirable that professional accounting assistance be secured, not only for advice on taxation matters, but also for setting up, maintaining, and auditing adequate financial records for the business.

Of course, you should have assured yourself on the most important question already--whether the type of business you have chosen, its location, its market, its cash needs, its general profitability and possibility of growth, are all favourable.

If you would like to discuss your proposal or have questions related to establishing a business, feel free to call the Centre and arrange to meet with one of the counsellors.

Industry, Trade & Tourism
Business Resource Centre
6th Floor - 155 Carlton
Winnipeg, Manitoba
R2C 3H8

Phone: 945-7738
Toll free in Manitoba
1-800-282-8069

Western Regional Office
231 - 10th Street, P. O. Box 1300
Brandon, Manitoba
R7A 6N1

Phone: 726-6250

APPENDIX I

SOURCES OF SUPPLY

Hobby and Model suppliers:

A B C Crafts Wholesale
103 - 3412 27 Street N.E.
Calgary, Alta.
Ph: Area code 403-250-2910

Borgfeldt (Canada) Limited
Exclusive Agents & Distributors "Tamiya"
3440 Pharmacy Avenue
Toronto, Ontario
Ph: Area code 416-497-2004 FAX 416-497-2820

Crafts & Hobby Land Ltd.
1654 St. Matthews
St. James
Winnipeg, MB
Ph: 831-5551

GD Hobby Distributor
778 Beaverbrook
Winnipeg, MB
Ph: 489-1820

Gale's Wholesale Ltd.
1559A King Edward
St. James
Winnipeg, MB
Ph: 632-5353

Mathew & Co., Ltd.
Toll Free 1-800-661-7239

Model Builders Supply
107 Doncaster
Thornhill, Ontario
Ph: Area code 416-881-6288

Prairie Crafts & Hobby Supply Ltd.
1610 St. James Street
Winnipeg, MB
Ph: 774-3446

Shaben International Ltd.
Ph: 837-7300 or 275-2434

Star Wholesale Distributors
2809 Norland
Burnaby, BC
Ph: Area code 604-291-8286

APPENDIX II

Sample Profit and Loss Statement — TABLE 1
(Operating Expense Ratios)

GROSS SALES		100.0%
COST OF GOODS SOLD		65.5%
GROSS PROFIT		34.5%
OPERATING EXPENSES		
Salaries & wages	7.1	
Employee benefits	.4	
Property taxes	1.1	
Rent	5.7	
Business taxes, permits	.5	
Insurance	.9	
Interest, bank charges	1.3	
Depreciation	1.4	
Advertising	1.2	
Repairs & maintenance	1.0	
Legal & auditing fees	.6	
Supplies	1.1	
Utilities	1.4	
Delivery, freight	1.4	
Other expenses	1.9	
TOTAL EXPENSES		21.6 - 27.0%*
NET PROFIT		12.9 - 7.5%

*a range is included because not all retailers incur the same expenses

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Source: obtained from Alberta Department of Economic Development and Trade microfiche information.

APPENDIX III

REFERENCES

Grant Assistance to Professional Artists	Manitoba Arts Council 525 - 93 Lombard Avenue Winnipeg, Manitoba R3B 3B1 Phone: (204) 945-2237
Assistance for Craft Development in Communities for non-profit organizations	CARFAC (Manitoba) 221 - 100 Arthur Street Winnipeg, Manitoba R3B 1H3 Phone: (204) 943-7211
	Department of Culture, Heritage and Recreation Cultural Resources Branch 8th Fl., 177 Lombard Avenue Winnipeg, Manitoba R3B 0W5 Phone: (204) 945-2213
Markets	The Forks Market 202 - #1 Forks Market Road Winnipeg, Manitoba R3C 4L9 Phone: (204) 942-6302
	Manitoba Christmas Craft Sale Western Works 200 - 62 Hargrave Street Winnipeg, Manitoba R3C 1N1 Phone: (204) 942-8580
Trade Publications	"Artisan" Canadian Crafts Council 46 Elgin Street #16 Ottawa, Ontario K1P 5K6 Phone: (613) 235-8200
	"Craftnews" Ontario Craft Council Chalmers Building 35 McCaul Street Toronto, Ontario M5T 1V7 Phone: (416) 977-3551

PROFESSIONAL ORGANIZATIONS

Objective:	Major intent is to promote professionalism among Manitoba craft people and quality craftmanship. Workshops are also held.	Manitoba Craft Council 1 - 100 Arthur Street Winnipeg, Manitoba R3B 1H3 Phone: (204) 942-1816
Objective:	To encourage, retain, revive and develop Canada handicrafts. The Guild has a retail outlet on Kennedy Street as well as providing instruction in various crafts	Crafts Guild of Manitoba 183 Kennedy Street Winnipeg, Manitoba Phone: (204) 943-1190